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USTR FOR BILL JACKSON; COMMERCE FOR JED DIAMOND

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SUBJECT: CHINA NOW SOUTH AFRICA'S LARGEST EXPORT MARKET

[¶1.](#) (U) Summary. China was South Africa's largest export market in the first half of 2009, according to the South African Revenue Service. End Summary.

[¶2.](#) (U) China has become South Africa's largest export market and biggest trading partner. Total bilateral trade between China and South Africa reached R61.9 billion (\$8 billion) between January and July 2009, according to the South African Revenue Service. Total trade with the U.S. was only R42.1 billion (\$5 billion) during the same period. South Africa imports appliances, clothing, footwear, and plastic products from China. Iron ore, gold, copper, chrome, wine, timber, and paper pulp are South Africa's primary exports to China. The data below is from the South African Revenue Service.

South African Imports (Billions of Rands):

	US	China	Total Imports
Jan - June 2009 (Rand)	23.2	35.2	27.1
Jan - June 2008 (Rand)	25.6	36.2	34.2

South African Exports (Billions of Rands):

	US	China	Total Imports
Jan - June 2009 (Rand)	18.8	26.4	253.8
Jan - June 2008 (Rand)	32.1	17.5	303.7

[¶3.](#) (U) Chinese Ambassador Zhong Jianhua told leading financial newspaper Business Day that the warm relationship between the two countries was matched by growing economic engagement that put South Africa among China's top three African trading partners.

[¶4.](#) (U) Comment: Exports to the U.S. have plummeted since the onset of the global financial crisis, causing the U.S. to lose its place as South Africa's number one export market. While the China market has remained comparatively robust, Minister of Trade and Industry Rob Davies recently remarked that trade with China is structurally imbalanced because South Africa exports commodities while China supplies value-added manufactured goods. Davies noted that Chinese officials agreed to negotiate to rectify the imbalance. End Comment.

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